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DDI-2997-64

10 July 1964

MEMORANDUM FOR THE RECORD

SUBJECT: Discussions in DIA Military Costing Effort

1. On 8 July [REDACTED] of DIA visited me to discuss DIA's plans for enlarging its effort on the costing of Soviet military programs. [REDACTED] made the following points:

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a. DIA now has only one analyst full time on the costing problem; on occasion, one or two other analysts may participate in the work. (I had been under the impression that DIA had three full time analysts assigned.)

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b. DIA's departmental requirements for costing were increasing "geometrically" and [REDACTED] saw no slacking in this increase in the future. (I agreed with him.)

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c. Because of its position in DOD, DIA is not able to refuse or modify requirements from any element of the DOD for costing of military intelligence estimates or projections.

d. ORR has not been able to satisfy DIA's departmental requirements in a comprehensive and timely manner. [REDACTED] made it quite clear that he realized that our costing resources were fully engaged in work for the IAP, NIEs and JAG.

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e. DIA has decided to transfer five additional slots to do some of its departmental costing work. Even under this arrangement DIA would have to depend on ORR/CIA for most of the basic inputs and guidance.

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f. [REDACTED] expressed considerable concern about the quality of personnel that DIA may be able to assign to the costing task.

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g. DIA was also considering duplicating CIA's automatic data processing programs for military costing and may be coming to CIA for the machine programs and tapes.

h. DIA appreciated the need for all organizations working on costing to use similar data and methods in order to eliminate confusion.

2. The reasons for our inability to meet all of DIA's departmental requirements were discussed. I also explained that we would probably not be able to get enough additional resources to satisfy these requirements. It was clear to me that DIA does not appreciate the difficulties involved in doing this kind of work and that the setting up of this operation will probably require considerable assistance from us. I also feel that the establishment of a duplicative costing effort in DIA will not only be wasteful but also lead to confusion. I did not make any commitment on behalf of the Agency to assist DIA in this endeavor.

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3. [REDACTED] also asked for my informal comments on a DIA reply to a request by the DDM&E/OSD for economics support. Most of the material in this reply had been abstracted from ORR papers. I made a few changes which [REDACTED] gratefully accepted.

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[REDACTED]
Chief, Military-Economic Research Area, ORR

Distribution:

Orig. and 1 -- Ch/M

1 -- [REDACTED]

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✓ 1 -- Mr. Borel

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1 -- AD/RR

1 -- Ch/D/P

1 -- Ch/P/ME

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1 -- [REDACTED]

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1 -- [REDACTED]

ORR:MRA: [REDACTED] 1r (K7111)